

**APPENDIX E: ANALYSIS OF THE IMPACT OF NET INCOME, NET RETURN,  
ADJUSTED CASH FLOW RULE CHANGES  
DETAILED SUPPORTING TABLES**

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This Appendix includes two sets of detailed information related to efforts made by the Commission to regulate net income/net return/adjusted cash flow for Bingo licensees.

**Detailed tables showing the actual financial and percentage requirements associated with each rule change.** These tables show license class, gross receipts, prize payout limits where applicable, and net income/return/adjusted cash flow minimum requirements (5 pages).

**Table showing detailed analysis of impact of Bingo compliance rule changes.** These tables take the “typical licensee” for each Pool (size) and show how the various versions of the compliance rule affect required net income/return/adjusted cash flow (4 pages).

Washington State Gambling Commission  
Significant Changes in Rules  
Regarding Bingo Compliance

Year 1999				
License Class		Annual Gross Receipts	Calendar Year Prize Payout Limits	Annual Minimum Net Return *
A	Up to	\$15,000	No limits	No limits
B	\$15,001	\$50,000	No limits	No limits
C	\$50,001	\$100,000	No limits	No limits
D	\$100,001	\$250,000	No limits	No limits
E	\$250,001	\$500,000	Max 85%	2%
F	\$500,001	\$1,000,000	Max 84%	4%
G	\$1,000,001	\$1,500,000	Max 82%	6%
H	\$1,500,001	\$2,000,000	Max 80%	8%
I	\$2,000,001	\$2,500,000	Max 78%	10%
J	\$2,500,001	\$3,000,000	Max 76%	12%
K	\$3,000,001	\$3,500,000	Max 74%	14%
L	\$3,500,001	\$4,000,000	Max 72%	15%
M	\$4,000,001	\$4,500,000	Max 72%	16%
N	\$4,500,001	\$5,000,000	Max 72%	16%
O	\$5,000,001	\$5,500,000	Max 72%	16%
P	\$5,500,001	\$6,000,000	Max 72%	16%
Q	Over	\$6,000,000	Max 72%	16%

\* Includes sales of food, drink, other, plus PBPT. Local taxes not included.  
If within 5% of requirements, ok.

Year 2001			
Bingo & PBPT Gross Receipts		Base Amount	Plus % Over Base
Up to	\$375,000	\$1	0
\$375,001	\$625,000	\$1	3%
\$625,001	\$875,000	\$7,500	4%
\$875,001	\$1,125,000	\$17,500	5%
\$1,125,001	and Over	\$30,000	6%

Washington State Gambling Commission  
Significant Changes in Rules  
Regarding Bingo Compliance

Year 1996				
License Class		Annual Gross Receipts	Calendar Year Prize Payout Limits	Annual Minimum Net Return *
A ^	Up to	\$15,000	No limits	No limits
B ^	\$15,001	\$50,000	No limits	No limits
C	\$50,001	\$100,000	No limits	No limits
D ^	\$100,001	\$250,000	No limits	No limits
E ^	\$250,001	\$500,000	Max 85%	2%
F	\$500,001	\$1,000,000	Max 84%	4%
G	\$1,000,001	\$1,500,000	Max 82%	6%
H	\$1,500,001	\$2,000,000	Max 80%	8%
I	\$2,000,001	\$2,500,000	Max 78%	10%
J	\$2,500,001	\$3,000,000	Max 76%	12%
K	\$3,000,001	\$3,500,000	Max 74%	14%
L	\$3,500,001	\$4,000,000	Max 72%	15%
M	\$4,000,001	\$4,500,000	Max 72%	16%
N	\$4,500,001	\$5,000,000	Max 72%	16%
O	\$5,000,001	\$5,500,000	Max 72%	16%
P	\$5,500,001	\$6,000,000	Max 72%	16%
Q	Over	\$6,000,000	Max 72%	16%

\* Includes sales of food, drink, other, plus PBPT. Local taxes not included.  
^ Classes range has changed.

Washington State Gambling Commission  
Significant Changes in Rules  
Regarding Bingo Compliance

Year 1990					
License Class		Annual Gross Receipts	Calendar Year Prize Payout Limits	Calendar Year Adjusted Net Income Minimum Requirements-Bingo *	Calendar Year Adjusted Net Income Minimum Requirements-Bingo & PBPT **
A	Up to	\$10,000	No limits	None	None
B	\$10,001	\$50,000	No limits	None	None
C	\$50,001	\$100,000	No limits	None	None
D	\$100,001	\$300,000	Max 85%	At least 2%	At least 3%
E	\$300,001	\$500,000	Max 84%	At least 3%	At least 4%
F	\$500,001	\$1,000,000	Max 83%	At least 4.5%	At least 5.5%
G	\$1,000,001	\$1,500,000	Max 80%	At least 6%	At least 8%
H	\$1,500,001	\$2,000,000	Max 78%	At least 8%	At least 10%
I	\$2,000,001	\$2,500,000	Max 76%	At least 10%	At least 12%
J	\$2,500,001	\$3,000,000	Max 74%	At least 12%	At least 14%
K	\$3,000,001	\$3,500,000	Max 72%	At least 13.5%	At least 16%
L	\$3,500,001	\$4,000,000	Max 70%	At least 14.5%	At least 17%
M	Over	\$4,000,000	Max 70%	At least 15.5%	At least 18%

\*Includes sales of food, drink, and other. Local taxes not included.  
\*\* Includes sales of food, drink, other, plus PBPT. Local taxes not included.

Year 1993					
License Class		Annual Gross Receipts	Calendar Year Prize Payout Limits	Calendar Year Adjusted Net Income Minimum Requirements-Bingo *	Calendar Year Adjusted Net Income Minimum Requirements-Bingo & PBPT **
A	Up to	\$10,000	No limits	None	None
B	\$10,001	\$50,000	No limits	None	None
C	\$50,001	\$100,000	No limits	None	None
D	\$100,001	\$300,000	Max 85%	At least 1%	At least 2%
E	\$300,001	\$500,000	Max 84%	At least 2%	At least 3%
F	\$500,001	\$1,000,000	Max 83%	At least 3.5%	At least 4.5%
G	\$1,000,001	\$1,500,000	Max 80%	At least 5%	At least 7%
H	\$1,500,001	\$2,000,000	Max 78%	At least 7%	At least 9%
I	\$2,000,001	\$2,500,000	Max 76%	At least 9%	At least 11%
J	\$2,500,001	\$3,000,000	Max 74%	At least 11%	At least 13%
K	\$3,000,001	\$3,500,000	Max 72%	At least 12.5%	At least 15%
L	\$3,500,001	\$4,000,000	Max 70%	At least 13.5%	At least 16%
M	Over	\$4,000,000	Max 70%	At least 14.5%	At least 17%

\*Includes sales of food, drink, and other. Local taxes not included.  
\*\* Includes sales of food, drink, other, plus PBPT. Local taxes not included.

Washington State Gambling Commission  
Significant Changes in Rules  
Regarding Bingo Compliance

Year 1988				
License Class		Annual Gross Receipts	Calendar Year Prize Payout Limits	Calendar Year Adjusted Net Income Minimum Requirements
A	Up to	\$10,000	No limits	None
B	\$10,001	\$50,000	No limits	None
C	\$50,001	\$100,000	No limits	None
D	\$100,001	\$300,000	No limits	None
E	\$300,001	\$500,000	No limits	None
F	\$500,001	\$1,000,000	83.0 - 80.0%	4 - 5%
G	\$1,000,001	\$1,500,000	80.0 - 78.0%	5 - 7%
H	\$1,500,001	\$2,000,000	78.0 - 76.0%	7 - 9%
I	\$2,000,001	\$2,500,000	76.0 - 74.0%	9 - 11%
J	\$2,500,001	\$3,000,000	74.0 - 72.0%	11 - 13%
K	\$3,000,001	\$3,500,000	72.0 - 70.0%	13 - 14%
Excess to other charity				

Year 1989				
License Class		Annual Gross Receipts	Calendar Year Prize Payout Limits	Calendar Year Adjusted Net Income Minimum Requirements
A	Up to	\$10,000	No limits	None
B	\$10,001	\$50,000	No limits	None
C	\$50,001	\$100,000	No limits	None
D	\$100,001	\$300,000	Max 85%	At least 2%
E	\$300,001	\$500,000	Max 84%	At least 3%
F	\$500,001	\$1,000,000	Max 83%	At least 4.5%
G	\$1,000,001	\$1,500,000	Max 80%	At least 6%
H	\$1,500,001	\$2,000,000	Max 78%	At least 8%
I	\$2,000,001	\$2,500,000	Max 76%	At least 10%
J	\$2,500,001	\$3,000,000	Max 74%	At least 12%
K	\$3,000,001	\$3,500,000	Max 72%	At least 13.5%
L	\$3,500,001	\$4,000,000	Max 70%	At least 14.5%
M	Over	\$4,000,000	Max 70%	At least 15.5%

Washington State Gambling Commission  
Significant Changes in Rules  
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Year 1983				
License Class		Annual Gross Receipts	Prize Payout Limits	Adjusted Net Income Minimum Requirements
A	Up to	\$10,000	No limits	None
B	\$10,001	\$50,000	No limits	None
C	\$50,001	\$100,000	No limits	None
D	\$100,001	\$300,000	No limits	None
E	\$300,001	\$500,000	No limits	None
F	\$500,001	\$1,000,000	80%	5%
G	\$1,000,001	\$1,500,000	78%	7%
H	\$1,500,001	\$2,000,000	76%	9%
I	\$2,000,001	\$2,500,000	74%	11%
J	\$2,500,001	\$3,000,000	72%	13%
K	\$3,000,001	\$3,500,000	70%	15%

Year 1985				
License Class		Annual Gross Receipts	Calendar Year Prize Payout Limits	Calendar Year Adjusted Net Income Minimum Requirements
A	Up to	\$10,000	No limits	None
B	\$10,001	\$50,000	No limits	None
C	\$50,001	\$100,000	No limits	None
D	\$100,001	\$300,000	No limits	None
E	\$300,001	\$500,000	No limits	None
F	\$500,001	\$1,000,000	83.0 - 80.0%	4 - 5%
G	\$1,000,001	\$1,500,000	80.0 - 78.0%	5 - 7%
H	\$1,500,001	\$2,000,000	78.0 - 76.0%	7 - 9%
I	\$2,000,001	\$2,500,000	76.0 - 74.0%	9 - 11%
J	\$2,500,001	\$3,000,000	74.0 - 72.0%	11 - 13%
K	\$3,000,001	\$3,500,000	72.0 - 70.0%	13 - 14%

Washington State Gambling Commission  
Analysis of Impact For  
Bingo Compliance Rules

Standard Year	Pool Small 2004	Pool Medium 1992	Pool Large 1995	Pool Extra-Large 1998
<b>Fact Statements for Each Set:</b>				
License Class	A	D	H	L
Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336
Gross Receipts-Punchboard/Pull-tabs (PBPT)	\$0	\$368,461	\$639,057	\$1,449,745
Net Receipts-Bingo	\$1,058	\$13,677	\$350,975	\$1,391,480
Retail Sales	\$338	\$1,818	\$692	-\$22,844
Drawing Sales	\$0	\$0	\$0	\$0
Amusement Game Sales	\$0	\$0	\$0	\$0
Depreciation Expense-Equipment & Building	\$0	\$0	\$0	\$76,544
Gambling Taxes	\$0	\$634	\$67,049	\$201,840

Year of Rule 2001				
Required Cash Flow	\$1	\$2,269	\$97,917	\$307,745
Actual Cash Flow	\$1,007	\$97,711	\$202,729	\$542,199
Actual Gross Receipts-Bingo & PBPT	\$5,254	\$450,644	\$2,256,949	\$5,754,081

Out of compliance with rule

**Abbreviations:**

B=Bingo  
CF=Adjusted Cash Flow  
GR=Gross Receipts  
NI=Net income  
NR=Net Return  
PBPT=Punchboard/Pull-tabs  
PO%=Payout Percentage

**NOTES:**

Class A and B ranges changed in 1995

Washington State Gambling Commission  
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Bingo Compliance Rules

Standard Year	Pool Small 2004	Pool Medium 1992	Pool Large 1995	Pool Extra-Large 1998
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License Class	A	D	H	L
Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336
Gross Receipts-Punchboard/Pull-tabs (PBPT)	\$0	\$368,461	\$639,057	\$1,449,745
Net Receipts-Bingo	\$1,058	\$13,677	\$350,975	\$1,391,480
Retail Sales	\$338	\$1,818	\$692	-\$22,844
Drawing Sales	\$0	\$0	\$0	\$0
Amusement Game Sales	\$0	\$0	\$0	\$0
Depreciation Expense-Equipment & Building	\$0	\$0	\$0	\$76,544
Gambling Taxes	\$0	\$634	\$67,049	\$201,840

Year of Rule 1990				
Required Payout Percentage	No limit	85%	78%	70%
Actual Payout Percentage	79.9%	80.2%	78.3%	67.7%
Required Net Income-Bingo	None	\$1,644	\$129,431	\$624,129
Actual Net Income-Bingo	\$1,007	\$12,733	\$147,428	\$564,969
Required Net Income-Bingo & PBPT	None	\$2,465	\$161,789	\$731,737
Actual Net Income-Bingo & PBPT	\$1,007	\$98,405	\$269,778	\$667,495
Gross Receipt Maximum	\$10,000	\$300,000	\$2,000,000	\$4,000,000
Actual Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336

1993				
Required Payout Percentage	No limit	85%	78%	70%
Actual Payout Percentage	79.9%	80.2%	78.3%	67.7%
Required Net Income-Bingo	None	\$822	\$113,252	\$581,085
Actual Net Income-Bingo	\$1,007	\$12,733	\$147,428	\$564,969
Required Net Income-Bingo & PBPT	None	\$1,644	\$145,610	\$688,694
Actual Net Income-Bingo & PBPT	\$1,007	\$98,405	\$269,778	\$667,495
Gross Receipt Maximum	\$10,000	\$300,000	\$2,000,000	\$4,000,000
Actual Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336

1996				
Required Payout Percentage	No limit	No limit	80%	72%
Actual Payout Percentage	79.9%	80.2%	78.3%	67.7%
Required Net Return	No limit	No limit	\$129,431	\$645,650
Actual Net Return	\$1,007	\$98,405	\$269,778	\$667,495
Gross Receipt Maximum	\$15,000	\$250,000	\$2,000,000	\$4,000,000
Actual Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336

1999				
Required Payout Percentage	No limit	No limit	80%	72%
Actual Payout Percentage	79.9%	80.2%	78.3%	67.7%
Required Net Return	No limit	No limit	\$48,537	\$430,433
Actual Net Return	\$1,007	\$98,405	\$269,778	\$667,495
Gross Receipt Maximum	\$15,000	\$250,000	\$2,000,000	\$4,000,000
Actual Gross Receipts	\$5,254	\$82,183	\$1,617,892	\$4,304,336



Washington State Gambling Commission  
Analysis of Impact For  
Bingo Compliance Rules

Standard Year	Pool Small 2004	Pool Medium 1992	Pool Large 1995	Pool Extra-Large 1998
Fact Statements for Each Set:				
License Class	A	D	H	L
Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336
Gross Receipts-Punchboard/Pull-tabs (PBPT)	\$0	\$368,461	\$639,057	\$1,449,745
Net Receipts-Bingo	\$1,058	\$13,677	\$350,975	\$1,391,480
Retail Sales	\$338	\$1,818	\$692	-\$22,844
Drawing Sales	\$0	\$0	\$0	\$0
Amusement Game Sales	\$0	\$0	\$0	\$0
Depreciation Expense-Equipment & Building	\$0	\$0	\$0	\$76,544
Gambling Taxes	\$0	\$634	\$67,049	\$201,840

Year of Rule				
1983				
Required Payout Percentage	No limit	No limit	76%	70%
Actual Payout Percentage	79.9%	80.2%	78.3%	67.7%
Required Net Income-Bingo	None	None	\$145,610	\$645,650
Actual Net Income-Bingo	\$669	\$10,915	\$111,639	\$449,064
Gross Receipt Maximum-Licensed Class	\$10,000	\$300,000	\$2,000,000	\$3,500,000
Actual Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336
1985				
Required Payout Percentage	No limit	No limit	83.0 - 80.0%	72.0 - 70.0%
Actual Payout Percentage	79.9%	80.2%	78.3%	67.7%
Required Net Income-Bingo	None	None	\$113,252	\$559,564
Actual Net Income-Bingo	\$669	\$10,915	\$111,639	\$449,064
Gross Receipt Maximum	\$10,000	\$300,000	\$2,000,000	\$3,500,000
Actual Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336
1988				
Required Payout Percentage	No limit	No limit	83.0 - 80.0%	72.0 - 70.0%
Actual Payout Percentage	79.9%	80.2%	78.3%	67.7%
Required Net Income-Bingo	None	None	\$113,252	\$559,564
Actual Net Income-Bingo	\$669	\$10,915	\$111,639	\$449,064
Gross Receipt Maximum	\$10,000	\$300,000	\$2,000,000	\$3,500,000
Actual Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336
1989				
Required Payout Percentage	No limit	85%	78%	70%
Actual Payout Percentage	79.9%	80.2%	78.3%	67.7%
Required Net Income-Bingo	None	\$1,644	\$129,431	\$624,129
Actual Net Income-Bingo	\$669	\$10,915	\$111,639	\$449,064
Gross Receipt Maximum	\$10,000	\$300,000	\$2,000,000	\$4,000,000
Actual Gross Receipts-Bingo	\$5,254	\$82,183	\$1,617,892	\$4,304,336